

CHAPTER 6 — APPLICATION/CANCELLATION/REFUSAL

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600 Applying for Life Insurance Coverage -- New Employee

The employer is responsible for providing each eligible employee, on his or her first day of WRS-covered employment, with a *Life Insurance Brochure* (ET-2101) which explains the plans and a *Life Insurance Application/Cancellation/Refusal* (ET-2304). The employee should complete Section I, Employee Information, and return it to his or her employer for completion of Section II, Employer Information.

The employer is also responsible for offering the employee the opportunity to enroll in any plan implemented while the employee was out on leave and to enroll in Spouse and Dependent coverage if the employee met requirements for eligibility while out on leave.

Employees who do not wish to apply for life insurance coverage should complete the top portion of the form, Section I, and check box "B" in the "Employee Information" section indicating that they are declining coverage.

601 Applying for Spouse and Dependent Coverage

The employer should provide a *Life Insurance Application/Cancellation/Refusal* (ET-2304) to employees when they are aware that the employee first has a spouse or dependent to insure. (See Subchapter 405 for more information on eligibility for Spouse and Dependent coverage.)

602 Canceling Life Insurance Coverage

Employees who wish to cancel any or all life insurance coverage must complete the *Life Insurance Application/Cancellation/Refusal* (ET-2304). The employee should check only the type(s) of coverage that are no longer wanted. If Basic coverage is canceled, all coverage will be canceled.

An employee may cancel all or a part of the life insurance coverages (i.e., Supplemental, Additional, or Spouse and Dependent).

EXAMPLE A: An employee with three levels of Additional would check the box for 1 Unit to cancel one level of Additional and keep two levels of Additional coverage.

EXAMPLE B: An employee with two levels of Additional would check the box for 2 Units to cancel Additional coverage entirely.

Employees should cancel Spouse and Dependent coverage as soon as they no longer have a spouse or dependent to insure. If coverage is not canceled when appropriate, premiums can be refunded only for the current year and the immediately preceding calendar year.

A cancellation is effective at the end of the month following the month in which the employer receives notice of the cancellation on the *Life Insurance Application/Cancellation/Refusal* (ET-2304). The employer should refund any premium deduction taken for a coverage month after the date coverage ceases.

EXAMPLE: An employee submits a notice of cancellation on June 30, and coverage ends on July 31. If a deduction has already been taken for August coverage, that premium should be refunded.

603 Life Insurance Application/Cancellation/Refusal (ET-2304)

Department of Employee Trust Funds
P.O. Box 7931
Madison, WI 53707-7931

LIFE INSURANCE APPLICATION/CANCELLATION/REFUSAL

Wis. Stat. § 40.70

EMPLOYEE: You have an open enrollment opportunity for life insurance coverage through the Wisconsin Public Employers Group Life Insurance Program if you:

- Are under age 70
- Have worked six or more months in service covered by the WRS;
- Have not withdrawn WRS contributions following your most recent six months of employment; and
- Apply within 30 days of your first eligibility, (or for Spouse and Dependent coverage only, when you have either a spouse or dependent to insure for the first time.)

If you do not enroll for all available coverage when you are first eligible, you may only apply for future coverage through *Evidence of Insurability* (ET-2305) prior to age 55.

Please review the reverse side of this application and the brochure *The Wisconsin Public Employers Group Life Insurance Program* (ET-2101) very carefully for more program information.

INSTRUCTIONS:

- A. Complete the top part of Section I. Employee Information.
- B. Indicate the reason for completing the form:
 1. **To enroll in Life Insurance coverage**, check box A. to indicate that you are enrolling for coverage, then check only the plan(s) you are electing in the Employee Coverage Section. You must elect Basic life coverage if you wish to enroll for Supplemental, Additional, or Spouse and Dependent coverage. (*See the reverse side for a brief summary of available coverage.*)
 2. **To decline coverage**, check box B. to indicate that you are declining coverage. Please complete and sign the top portion of this form and return it to your employer even if you choose not to enroll in the Life Insurance Program.
 3. **To cancel coverage**, check box C. to indicate that you are canceling coverage, then check only the plan(s) you are canceling in the Employee Coverage Section. You may cancel all or part of your life insurance coverage. NOTE: Once Basic coverage is canceled, all other life insurance coverage is automatically canceled.

Examples: An employee who wishes to cancel one level of Additional would check only the box marked "1 Unit (1 x earnings)". An employee who wishes to cancel Supplemental and all levels of Additional coverage would check only the boxes marked "Supplemental Plan" and "3 Units (3 x earnings)" of Additional coverage.
- C. Sign and date the form, then submit all three plies to your employer.

EMPLOYER: Please collect this form from every employee when he or she becomes eligible for open enrollment, even if he or she chooses not to enroll. (Review the *Group Life Insurance Employer Administration Manual* (ET-1117) for further instructions.)

- A. Complete Section II of this form. It is important that you complete all appropriate boxes, particularly the **Date Provided and Date Received, ETF Employer Number, and the Local Employer Billing Unit Number**. Be sure to include the reason for the application and complete a WRS previous service check for all employees.
- B. Sign and date the form.
- C. Forward the top ply to ETF at the address listed on top of the form. Keep your copy, and give the employee his/her copy.

NOTE: If the form is received late due to employer error, a letter of explanation must be attached to the application. Review your *Group Life Insurance Employer Administration Manual* (ET-1117) for further instructions.

603 **Life Insurance Application/Cancellation/Refusal (ET-2304) Continued**

**Wisconsin Public Employers Group Life Insurance Program
Plan Summary**

The Wisconsin Public Employers (WPE) Group Life Insurance program offers employee coverage of up to five times your annual Wisconsin Retirement System (WRS) earnings. All five levels of insurance are available to state employees. The amount of coverage available to local government employees depends on which plans are offered by your employer. The following is a summary of the life insurance coverage that is available.

Coverage Options

The **Basic Plan** provides coverage equal to your earnings reported to the WRS for the previous year, rounded up to the next thousand (W-2 earnings for qualified private pension). Your employer is required to contribute to the cost of this insurance.

The **Supplemental Plan** provides coverage equal to your earnings reported to the WRS for the previous year, rounded up to the next thousand (W-2 earnings for qualified private pension). The state contributes to the cost of this coverage for state employees. Local government employers are not required to contribute.

The **Additional Plan** provides up to three units of coverage. Each unit of coverage equals your earnings reported to the WRS for the previous year, rounded up to the next thousand (W-2 earnings for qualified private pension). Depending on how many levels of coverage are offered by your employer, you may choose 1, 2, or 3 units of Additional coverage. Employer contributions are not required.

The following is an example of how the amount of employee coverage is determined for an employee who chooses Basic, Supplemental and 3 Units of Additional coverage. The employee's previous year WRS-reported earnings are \$33,200. The earnings rounded up to the next thousand equals \$34,000 of coverage. The employee has coverage as follows:

Basic: (1x earnings)	=	\$ 34,000
Supplemental: (1x earnings)	=	34,000
Additional (3 units): (3x earnings)	=	<u>102,000</u>
Total Amount of Insurance Coverage (5x earnings)	=	\$170,000

NOTE: Until you have been employed for one full calendar year by your current employer, your coverage will be based on an estimate of your annual earnings.

The **Age 70 and Over Additional Plan** provides up to three units of coverage for active employees over the age of 70. Each unit provides coverage equal to your earnings reported to the WRS for the previous year, rounded to the next thousand (W-2 earnings for qualified private pension). Depending on how many levels of coverage are offered by your employer, you may choose 1, 2, or 3 units of coverage.

If you are actively employed when you turn age 70, your Basic coverage will reduce to the final post-retirement coverage amount and continue for life with no premiums due. Your Supplemental coverage and Spouse and Dependent coverage will cease on your 70th birthday.

NOTE: To be eligible for Age 70 and Over Additional coverage without providing evidence of insurability, you must be an active employee, have Additional insurance, and apply for Age 70 and Over Additional coverage within 30 days prior to your 70th birthday. If you are not covered by Additional insurance when you turn age 70, but would like to apply for Age 70 and Over Additional, you may apply by submitting an *Evidence of Insurability* application (ET-2305).

The **Spouse and Dependent Plan** provides coverage for your spouse and all dependent(s). If you elect one unit of coverage, your spouse will have \$10,000 in coverage and each dependent (regardless of the number) will have \$5,000 in coverage. If you elect two units, your spouse will have \$20,000 in coverage and each dependent will have \$10,000 in coverage.

Effective Date of Coverage

For any employee who files an application within 30 days after becoming eligible, coverage becomes effective on the first of the calendar month which begins on or after the date the application is received by the employer. Coverage cannot become effective before the employee is eligible and cannot be in effect for part of a month.

603 Life Insurance Application/Cancellation/Refusal (ET-2304) Continued

Department of Employee Trust Funds
P.O. Box 7931
Madison, WI 53707-7931

LIFE INSURANCE APPLICATION / CANCELLATION / REFUSAL

Wis. Stat. § 40.70

I. EMPLOYEE INFORMATION (Employee, complete up to Part II.)

Name (Last, First, Middle, Maiden/Former) A		Social Security Number C	
Street No. Street Name B		Birthdate (MM/DD/CCYY) D	
City State Zip		Sex E <input type="checkbox"/> Male <input type="checkbox"/> Female	
Country (if not USA) Foreign Mail Code		I participated under the Wisconsin Retirement System prior to being hired by this employer. (less than 6 mo.) (6 mo. or more) Circle the one that applies. <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> I have withdrawn my contribution to WRS. <input type="checkbox"/> I have continued life insurance coverage through Minnesota Life from my previous or current public employment.	

(Check one box only) **G**

- A. ☐ **I want to enroll** for the life insurance coverage indicated below, and I hereby authorize deductions from my earnings for premium. Complete coverage area below, and sign.
- B. ☐ **I do not want to enroll** for life insurance coverage. I understand that if I later wish to enroll, I must submit evidence of insurability prior to reaching age 55. Sign form at end of Section I.
- C. ☐ **I want to cancel** the life insurance coverage for the plans indicated below. I understand that if I later wish to re-enroll, I must submit evidence of insurability. Complete coverage area below, and sign.

EMPLOYEE COVERAGE: (Check ONLY the plans you are electing or canceling) H

- ☐ **Basic Plan** (1 x earnings) ☐ **Supplemental Plan** (1 x earnings) **Age 70 and Over Additional Plan**
(Check ONLY one box below)
- ☐ 1 Unit (1 x earnings)
☐ 2 Units (2 x earnings)
☐ 3 Units (3 x earnings)
- Spouse and Dependent Plan** (Check ONLY one box below) **Additional Plan** (Check ONLY one box below)
- ☐ 1 Unit (Spouse = \$10,000; Dependent = \$5,000)
☐ 2 Units (Spouse = \$20,000; Dependent = \$10,000)

These plans are available to eligible state employees and to the employees of only those local government employers who have submitted a resolution of inclusion under the plan(s). You must have the Basic Coverage in order to elect the other plans offered by your employer.

I understand that Wis. Stat. § 943.395 provides criminal penalties for knowingly making false or fraudulent claims on this form and hereby certify that, to the best of my knowledge and belief, the information is true and correct. I understand that if premiums are not paid, I do not have life insurance coverage.

	Date (MM/DD/CCYY) I	Employee Signature J	Telephone No. (8 am to 4 pm) K
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II. EMPLOYER INFORMATION (Employer, complete reason for application and previous service.)

Employer Agent Signature A		Date Provided to Employee (MM/DD/CCYY) B	Date Received from Employee (MM/DD/CCYY) C
Prepared by D		Telephone No./Area Code D	ETF Employer Number 69-036- E
Employer Name Or State of Wis. Dept. of F		Local Employer Billing Unit No. G	
Reason for Application – Check Appropriate Box H		Previous Service – Complete Information I	
<input type="checkbox"/> 1. New employee will have participated in WRS for 6 calendar months on:		1. Did employee participate under WRS prior to being hired by you? <input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/> 2. Employee on layoff or leave of absence. Date layoff/LOA began: _____ Date employee returned: _____		2. Previous service check completed <input type="checkbox"/> Yes <input type="checkbox"/> No Source of previous service <input type="checkbox"/> Extranet <input type="checkbox"/> ETF	
<input type="checkbox"/> 3. Transferred from another state agency. Name of agency: _____		3. Date WRS Participation Began With the Current Employer (MM/DD/CCYY)	
<input type="checkbox"/> 4. Employee has a spouse or dependent to insure for the first time. Date: _____ Reason: _____			
<input type="checkbox"/> 5. Employee is canceling spouse and dependent coverage. Date: _____ Reason: _____			
<input type="checkbox"/> 6. Other Specify _____			
Effective Date (MM/DD/CCYY) J	Calendar Year Earnings * \$ K	Year _____	<input type="checkbox"/> Estimate <input type="checkbox"/> Actual

* Check "Actual" if the coverage amount is based on previous calendar year earnings as reported to the WRS; check "Estimate" if the coverage amount is based on a projection of earnings for the next 12 months.

Submit Top Ply To Address Above

ETF

604 Employee Completion of Section I

The employee must complete the following items on the *Life Insurance Application/Cancellation/Refusal* (ET-2304). See the sample form in Subchapter 603. **Accuracy is essential.** If the employee does not properly complete these items, a new form will be required. The employee will be contacted if there are any questions about Section I of the application.

- A Complete legal **name**.
- B Entire permanent **address**.
- C **Social Security number** as it appears on the employee's Social Security Card.
- D **Birthdate** – two-digit month, two-digit day and four-digit year (MM/DD/CCYY).
- E **Sex** - check appropriate box.
- F **Participation in the WRS/Withdrawal of Contributions/Continuation**

The following questions are important in determining the effective date of coverage.

1. Previous service under the WRS. If the employee has previous service under the WRS, circle the applicable amount: “less than 6 months” or “6 months or more”.

NOTE: Regardless of whether or not the employee answers “yes” to this question, the employer must perform a previous service check to verify that the employee has already met some, or all, of the six-month requirement. **SEE CHAPTER 4 FOR PREVIOUS SERVICE CHECK INFORMATION.**

2. Withdrawal of WRS contributions--service prior to the withdrawal of WRS contributions does not count toward the six-month requirement.
3. Continued coverage--if the employee has continued life insurance through MLIC from previous employment, he or she must choose between maintaining the old coverage or beginning coverage as an active WRS employee. (See Subchapters 505 and 506 for more information.)

- G **Employee Information** - the employee must check one of the boxes, A, B, or C.
- H **Employee Coverage** - the employee must check the type(s) of coverage desired or canceled. For cancellations, check **ONLY** the coverages that are no longer wanted.

NOTE: If Basic is canceled, all coverages will automatically be canceled.

- I **Date Signed** - must be completed.

J Employee Signature - block must be completed. If incomplete, the application is invalid and will be rejected.

K Employee's daytime telephone number.

605 Employer Completion of Section II

The employer must complete the following items on the *Life Insurance Application/Cancellation/Refusal* (ET-2304). See the sample form in Subchapter 603.

A Employer Agent Signature - the agent certifies that the information is true and correct.

B Date Provided to Employee - is the date the employer gave the application to the employee.

C Date Received from Employee - determines when insurance is effective.

D Prepared by and Telephone No. Blocks – is the name and telephone number of the person completing the “Employer Information” portion of this form.

E ETF Employer Number 69-036- is your seven-digit Employer Identification Number (EIN) (69-036-XXXX-XXX).

F Employer Name

1. This is the name used by the employer for Social Security reporting.
2. University of Wisconsin indicate campus name. Department of Corrections indicate name of facility (i.e., Corrections – Oakhill).

G Local Employer Billing Unit No. - is the unit number on the billing from MLIC on which this person should appear.

H Reason for Application and Date

- Check the appropriate box and enter the occurrence date in the corresponding blank. The date that the employer received the completed, signed application from the employee must be within 30 days of the occurrence date.
- When an employee returns from layoff or leave of absence, check box 2, insert the date the leave began and the date the employee returned to work in the corresponding blanks.
- When a state employee transfers from one state agency to another, check box 3 and indicate the name of the agency the employee is transferring from.
- When an employee has a spouse or dependent to insure for the first time, check box 4 and include the reason (i.e., marriage, birth, adoption, etc.) for enrolling with the occurrence date.

- When an employee wishes to cancel spouse and dependent coverage, check box 5 and include the reason for canceling (i.e., death, divorce, loss of dependents, etc.) with the occurrence date.
- If box 6 is checked, specify the reason for eligibility and enter the occurrence date in the corresponding blank.

EXAMPLE: “Visually impaired completed 1,000 hours” would be entered for an employee of the private corporation contracting with the Department of Health and Family Services who had completed 1,000 hours of service on (Date).

I Previous Service

1. Did employee participate under WRS prior to being hired by you? Check “Yes” or “No”. (Refer to Subchapter 402 for further information about previous service checks.) A previous service check can be performed by using one of the following methods:
 - a. Previous Service Benefit Inquiry Screen located on the Internet at etfextranet.it.state.wi.us.
 - b. Call the Employer Communication Center at (608) 264-7900.
 - c. Fax a copy of the *Previous Service Check Form* (ET-1715) to ETF at (608) 266-5801.
2. A Previous Service Check must be completed on all new employees except: Spouse and Dependent, adding additional units of coverage or canceling coverage.
3. Indicate the date the employee started WRS participation with this employer.

J Effective Date of coverage or cancellation

1. Effective date of coverage.
 - a. Insurance becomes effective on the first day of the month on or after the date the application is received by the employer,

OR

 - b. The first of the month following completion of the six month qualifying period for new employees, whichever is later.

EXCEPTION: If a rehired annuitant elects WRS participation and chooses active life insurance coverage, the effective date will be determined by ETF.

2. Effective date of cancellation.
 - a. Cancellation will be effective and the insurance will cease at the end of the calendar month that begins after the cancellation form is received by the employer (Wis. Stats. § 40.70 (8)).

EXAMPLE: If an employee returns the completed application canceling coverage to the employer on April 2, the effective date of cancellation of coverage is May 31.

- b. If the employee wishes to designate a later cancellation date, he or she must hold the application until the month before the last month for which coverage is desired.
3. The following situations provide examples of effective date(s) of cancellation for Spouse and Dependent coverage. All situations assume there is no spouse and no other dependent(s) to insure:

REASON	EFFECTIVE DATE OF CANCELLATION
Simply no longer desires coverage	End of the month following the month form ET-2304 is received by employer
Divorce	Date of divorce
Death of spouse	End of the month of death
Dependent reaches age 19, ceases to be a full-time student, or is a full-time student but reaches age 25	End of the calendar year of occurrence
Dependent marries	End of month of marriage
Dependent with physical or mental disability becomes capable of self-support	Date disability ceases, date former dependent becomes capable of self-support, or date of marriage, whichever occurs first, regardless of age or student status

K Calendar Year Earnings

1. The amount of insurance is based on the employee's estimated or actual calendar year WRS earnings (Wis. Stats. § 40.72 (1)). See Chapter 8. Enter the amount and year and indicate whether the earnings were estimated or actual. Do not check "actual" unless last year's actual WRS earnings are used.
2. If the employee was not covered under the WRS by the employer for the full previous calendar year or was off work without pay for three or more months during the previous calendar year, use projected annual earnings and check the box marked "estimate". This amount must remain in effect until the employee has been covered under the WRS for one full calendar year (January 1 through December 31). See Subchapter 801 for more information on estimated annual earnings.

NOTE: If an employee moves from one local employer to another local employer or to/from a state employer to a local employer, use "estimated" calendar year earnings.

3. Actual earnings are the employee's previous calendar year earnings, as reported to the WRS.
4. Use W-2 earnings as a source if a private pension employer.

606 Distribution of Copies

Distribute copies as indicated at the bottom of each ply for refusals, cancellations and applications as follows:

1. Immediately forward the top copy of the application to ETF, regardless of whether the employee refuses, cancels, or applies for coverage.
2. Retain the employer copy as a record.
3. Give the employee copy to the employee.